GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:2416
ANSWERED ON:06.03.2003
RAILWAY`S SHARE OF FREIGHT TRAFFIC
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Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways has conducted any comparative study regarding its share of freight transport;

(b) if so, the details of the marketing share of railways as compared to roads, pipeline, shipping etc., during the last three years; and

(c) the steps taken or being taken by Government to boost the Railway`s share in freight traffic?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA)

(a) Yes, Sir. Ministry of Railways had in 1997 got a study conducted through one of its PSUs viz.RITES, on decline in Railways' share in total land traffic in India. This study included study of freight traffic also. The study focussed on the various reasons for decline in share of freight traffic of the Railways and suggested measures to improve the Railways' share in the future.

(b): The latest estimates available for traffic carried by roadways are for the year 1997-98, based on data published in the Economic Survey of India. As per the Economic Survey of India 1997-98,the traffic carried by roadways was 60% of the total freight movement. The traffic carried by pipelines and shipping as a percentage of total traffic has not been specified in the survey. Correspondingly, 40% of the total freight movement in 1997-98 is presumed to be on Rail. As more recent data is not available, it is not possible to indicate the market share of Railways and other modes of transport during the last three years.

(c): The recent steps taken by the Government for increasing the Railways' share of freight traffic include the following:

1. Making the freight rates more attractive in the Railway Budgets 2002-03 and 2003-04 by rationalization of freight rate structure and reducing the band of freight rates. The total number of Classes have been reduced from 59 to 27 and the ratio between the highest and lowest freight rates reduced from 8.0 to 2.8.

2. Making the freight rates further competitive in Railway Budget 2003-04 by reducing the classification of certain commodities viz. Petroleum products, Iron & Steel, Pig Iron, Cement etc., where Railways are facing stiff competition due to high freight rates.

3 . Offer to consider long term agreements with Oil Companies for further reduction in freight rates for petroleum products, if guaranteed volumes of additional traffic are committed for rail movement.

4. Introducing a system of graded concessions on freight rates, ranging from 10% to 50%, for all traffic booked upto 100 KMS.

5. Extending the benefit of lower train load rates, for two point block rates, for the entire distance of transportation as against granting this benefit upto common point of movement only.

6. Introducing an incentive scheme for Premier Customers, who generate freight earnings of more than Rs. 25 crores per annum from traffic originating from their sidings, to attract more traffic from them. A rebate of 2% will be granted on every five crore rupees of net additional originating freight earnings.

7 . Providing integrated warehousing facility to customers, through strategic partnership with Central Warehousing Corporation to develop a net-work of Warehousing Complexes.

8 . Delegating higher powers to General Managers to offer freight concessions upto 24 percent under 'Station to Station rates' scheme, which has also been liberalized.

9. Reducing 'to-pay' surcharge on freight from 10% to 5% for booking of all commodities other than Coal and from 15% to 10% for booking of Coal.

10. Clubbing of consignments in a Broad Gauge 8-wheeler wagon upto 12 consignments on payment of Rs. 100 for every additional Railway Receipt.